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EIGHTEENTH ANNUAL FINANCIAL STATEMENT
COOPERATIVE FEDEREE
DE QUEBEC

Established : 1922

Reorganized : 1930



ADDRESS BY THE PRESIDENT

ASSETS AND LIABILITIES

PROFIT AND LOSS ACCOUNT

REMARKS BY THE GENERAL MANAGER



*General Annual Meeting of the Shareholders held at the
Queen's Hotel, Montreal, 1st and 2nd February, 1940.*

Board of Directors

MM. J.-N. BÉRARD, <i>President</i>	- - -	St-Nazaire d'Acton (<i>Bagot</i>)
OMER E. MILOT, <i>Vice president</i>	-	Yamachiche (<i>St-Maurice</i>)
J.-A. PINSONNAULT	- - -	Sherrington (<i>Napierville</i>)
ABBÉ R. MACDONALD	- - -	Ste-Marthe (<i>Vaudreuil</i>)
GÉRARD MASSUE	- - - -	Varennes, (<i>Verchères</i>)
ALCIDE ROUSSEAU	- - - -	La Baie-du-Febvre (<i>Yamaska</i>)
P. BUREAU	- - - - -	Compton (<i>Compton</i>)
DAVID ROY	- - - - -	St-Michel (<i>Bellechasse</i>)
AUGUSTE BEAULIEU, <i>Son of Th.</i>		Ste-Angèle (<i>Matane</i>)
PHILADELPHIE FERLAND	- - -	Normandin (<i>Lac St-Jean</i>)
ADRIEN LAMARCHE	- - - -	St-Esprit (<i>Montcalm</i>)
REVD. S. PELTIER	- - - -	L'Assomption (<i>L'Assomption</i>)
ARISTIDE MASSÉ	- - - - -	Brunet (<i>Labelle</i>)
SAMUEL AUDETTE	- - - -	Landrienne (<i>Abitibi</i>)
ALBERT LAFRAMBOISE	- - - -	Ste-Scholastique (<i>Deux-Montagnes</i>)
REVD. F.-X. JEAN	- - - -	S-Anne de la Pocatière (<i>Kamouraska</i>)
J.-A. MARION	- - - - -	St-Edwidge (<i>Compton</i>)
LOUIS BOLDUC	- - - - -	Beauceville (<i>Beauce</i>)



Secretary : HENRI C. BOIS, Montreal

Treasurer : J.-D. FOURNIER, Montreal



Executive Committee

J. F. DESMARAIS, *President*

Directors :

J.-N. BÉRARD

OMER MILOT

REVD. S. PELTIER

J.-A. MARION

HENRI C. BOIS, *Secretary*

Address of the President, Mr. J. N. Bérard

Gentlemen:—

It is frankly comforting to witness such a large audience at our 18th, Annual Meeting. I wish that each and everyone of you will find himself at home, as you are all welcome. This meeting is yours, shareholders of the Coopérative Fédérée, delegates and substitutes, and members of local societies and syndicates affiliated to us. I take the liberty of recalling to you that our deliberations have on previous occasions been made peacefully and orderly, and I am sure that this, our 18th. Annual Meeting, will be conducted with the same spirit.

I should like also that each one of you rejoice in the progress of our society. During the financial year 1939 the total business transacted amounted to \$12,000,000. It is true that our balance sheet does not show as high a figure, but this is due to the impossibility of our auditors to include certain transactions which were made in the course of the last few days of 1939. Nevertheless, \$11,921,984.80, constitutes an appreciable amount of business transacted. If you bear in mind the devaluation of agricultural products during the better part of the past year, you will understand that the volume of our sales and purchases have certainly augmented, and that is what counts most. This result depends without a doubt upon the indefectible support granted to us by our societies and syndicates, and the farmers in general, but we must remember it was also the fruit of the arduous and intelligent work of the employees of the Society, the heads of the departments, members of the Executive and my colleagues of the Board of Directors. You will allow me, therefore, to offer them in your name our thanks and felicitations.

During the year 1939, 19 societies or syndicates have affiliated with the Coopérative Fédérée and we hope that in 1940 a larger number of co-operative organizations will also be affiliated. One must never forget that the progress of our agriculture, although it does not depend exclusively upon the expansion of the co-operative movement, owes a large portion of this progress to it. The Coopérative Fédérée owned and administered by the farmers, constitutes the best bulwark which protects them, and permits them to work in peace towards their economic emancipation.

In the course of the past year, we were submitted to attacks, and once again our reputation was maliciously and unjustly attacked. A law was enacted, that I do not hesitate to qualify as unjust and anti-co-operative. I hope there shall be in this meeting a few delegates, who will make the necessary motion, so that this unfortunate law be struck off the Statutes of this Province, as soon as possible.

The reconciliation of the Coopérative Fédérée and the Union Catholique des Cultivateurs, attempted last year, has been nearly concretely effected and taken on a more definite form. From month to month, the mutual comprehension increases, so let us hope that time will draw closer these bonds, and the agricultural class will abandon the divisions which have been so harmful in the past.

Gentlemen, delegates and shareholders, the Board of Directors of the Coopérative Fédérée is happy to welcome you. The business which will be discussed here at this meeting is your concern. You have the right to request any explanations that you may require and to make any suggestions which, in your opinion, may help your society to further progress. I hope that each and every one of you will feel at home, and that your deliberations will be fruitful, to the Coopérative Fédérée as well as the agricultural class. I thank you.

CONSOLIDATED
COOPERATIVE FE

as at 31st D

ASSETS

CURRENT :—

Cash and Bank	\$ 14,962.18	
Accounts receivable (see reserve)	1,252,778.38	
Merchandise Inventory	1,282,618.57	2,550,359.13

MORTGAGES, DEPOSITS		145,895.08
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FIXED ASSETS :—

Equipment, machinery, tools	319,376.39	
Real Estate	508,451.32	827,827.71

DEFERRED EXPENSES :—

Insurance	2,254.77	
Heating	1,687.45	
Sundries	2,540.89	
Packing Material	17,663.02	
Stationery	16,271.24	
Advertising	5,354.32	
Taxes	3,869.10	
Stamps	1,060.84	50,701.63

3,574,783.55

BALANCE SHEET

CITY OF QUEBEC

December 1939

LIABILITIES

ACCOUNTS PAYABLE		245,353.20
LOANS :—		
Banque Canadienne Nationale	1,203,776.69	
Co-operative Wholesale Society, Ltd....	681,333.33	
Sundries	70,900.00	1,956,010.02
ACCRUED INTEREST on bonds and loans.....		15,606.07
BONDS :—		
Issued	350,000.00	
Less : paid at maturity	84,000.00	
Redeemed	266,000.00	
	64,100.00	201,900.00
RESERVES :—		
Depreciation on equipment	184,640.75	
Depreciation on Real Estate	213,594.95	
For accounts receivable	125,163.28	
On contingencies	40,042.55	563,441.53
CAPITAL STOCK :—		
Preferred	194,300.00	
Common	58,669.93	252,969.93
SURPLUS		339,502.80
		3,574,783.55

In order to follow up the policy adopted last year, relative to non affiliated co-operative organizations who purchased or sold through us in the course of the year 1939, the Board of Directors of the Coopérative Fédérée, offers to these societies or syndicates to place to their credit 50% of the patronage dividends to which they would be entitled to receive if, on or before April 30, 1940, they join our organization.

Our total volume of business amounts to \$11,921,984.80 compared to \$11,731,442.51 during 1938, showing therefore, an increase of \$190,542.29. This increase was realized in spite of the considerable devaluation of the principal products which we handle, in particular, butter, cheese and feeds.

The perusal of the Operating Statement will show you that our gross profits amount to \$995,078.06, that is 8.34% of our total volume of business. The direct charges amount to \$335,583.02, or 2.81%; administration charges \$366,405.16, or 3.07%, leaving a surplus of \$293,089.88, or 2.46%. The necessary reserves to cover depreciation on buildings, equipment, bad debts, etc. were provided for an amount of \$163,283.71, or 1.37%, when deducted, leave a net profit of \$129,806.17, or 1.09% of the total volume of business.

With the exception of the Canadian Livestock Co-Operative whose turnover increased by \$568,856.73, the other departments (fertilizers, seeds, feeds and grain, butter and cheese) show a normal increase in volume of business. This explains why in spite of falling prices our total business has increased.

Nineteen new co-operative societies have affiliated with us during 1939, and brings to 200, the total number of societies now affiliated with the Coopérative Fédérée.

I now stop my remarks, because I feel it preferable to wait for your questions, rather than attempt explanations which may not bear on those subjects upon which you desire enlightenment.

